

Form for Royalty Payment Responsibility. Your notification for each lease must include the following:

- (1) The lease number for the lease;
 - (2) The type of products you make payments for e.g., oil, gas.
 - (3) The type of payments you are responsible for e.g., royalty, minimum royalty, rental.
 - (4) Whether you are:
 - (i) A lessee of record (record title owner) in the lease; or
 - (ii) An operating rights owner (working interest owner) in the lease, and the percentage of your operating rights ownership in the lease;
 - (5) The name, address, Taxpayer Identification Number (TIN), and phone number of your Designee;
 - (6) The name, address, and phone number of the individual to contact for the person you named in paragraph (a)(5) of this section;
 - (7) Your TIN;
 - (8) The date the designation is effective;
 - (9) The date the designation terminates, if applicable, and
 - (10) A copy of the written designation;
- (b) The person you designate under paragraph (a) of this section is your Designee under 30 U.S.C. 1701(24) and 30 U.S.C. 1712(a).
- (c) If you want to terminate a designation you made under paragraph (a) of this section, you must submit a revised Form MMS-4425 before the termination stating:

- (1) The date the designation is due to terminate; and
 - (2) If you are not reporting and paying royalties and making other payments to ONRR, a new designation under paragraph (a) of this section.
- (d) ONRR may require you to provide notice when there is a change in the percentage of your record title or operating rights ownership.

[62 FR 42066, Aug. 5, 1997, as amended at 73 FR 15898, Mar. 26, 2008]

§ 1218.53 Recoupment of overpayments on Indian mineral leases.

(a) Whenever an overpayment is made under an Indian oil and gas lease, a payor may recoup the overpayment through a recoupment on Form MMS-2014 against the current month's royal-

ties or other revenues owed on the same lease. However, for any month a payor may not recoup more than 50 percent of the royalties or other revenues owed in that month under an individual allotted lease or more than 100 percent of the royalties or other revenues owed in that month under a tribal lease.

(b) With written permission authorized by tribal statute or resolution, a payor may recoup an overpayment against royalties or other revenues owed in that month under other leases for which that tribe is the lessor. A copy of the tribe's written permission must be furnished to ONRR pursuant to instructions for reporting recoupments in the ONRR revenue reporter handbook. See part 1210 of this chapter. Recouping overpayments on one allotted lease from royalties paid to another allotted lease is specifically prohibited.

(c) Overpayments subject to recoupment under this section include all payments made in excess of the required payment for royalty, rental, bonus, or other amounts owed as specified by statute, regulation, order, or terms of an Indian mineral lease.

(d) The ONRR Director or his/her designee may order any payor to not recoup any amount for such reasonable period of time as may be necessary for ONRR to review the nature and amount of any claimed overpayment.

[60 FR 3087, Jan. 13, 1995, as amended at 67 FR 19112, Apr. 18, 2002]

§ 1218.54 Late payments.

(a) An interest charge shall be assessed on unpaid and underpaid amounts from the date the amounts are due.

(b) The interest charge on late payments shall be at the underpayment rate established by the Internal Revenue Code, 26 U.S.C. 6621(a)(2) (Supp. 1987).

(c) Interest will be charged only on the amount of the payment not received. Interest will be charged only for the number of days the payment is late.

(d) A portion of the interest collected will be paid to a State where the State shares in mineral revenues from Federal leases.